

DRAFT MINUTES

COMMISSION ON LOCAL GOVERNMENT

Special Meeting

10:00 a.m., July 10, 2006

Members Present

Harold H. Bannister, Jr., Chairman
John G. Kines, Jr.
Frances M. Parsons

Members Absent

Kathleen K. Seefeldt, Vice Chairman
Vola T. Lawson

Others Present

Ted McCormack, Associate Director
Adria Graham Scott, Senior Policy Analyst
Barbara Johnson, Administrative Assistant

Other Attendees

(See Attached Listing)

Call to Order

The meeting was called to order by the Chairman at 10:00 a.m., July 10, 2006 in the Board Room of the Department of Housing and Community Development in Richmond.

I. Public Hearing on the Local Mandate Assessment Process

A. Opening Statement by Chairman

The Chairman welcomed those in attendance and stated that the purpose of the special meeting was to receive public comment on the process by which executive branch agencies critically assess the impact of the mandates on local governments that they administer. Mr. Bannister noted that in 1993 the General Assembly assigned to the Commission the responsibility for overseeing the Governor's mandate assessment program, and that guidelines were subsequently drafted for the implementation of the program which were promulgated by a

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Governor's executive memorandum. He indicated that the Commission is now seeking comment on the overall program design and suggested changes that might be made to the assessment process. The Chairman introduced the members of the Commission in attendance at the public hearing. Mr. Bannister then cited the various means by which the Commission had advertised the current hearing and listed the various entities which had received direct notice of the public hearing. At the end of his opening remarks, the Chairman called for speakers to step forward.

B. Receipt of Public Testimony

The Commission received testimony from Mike Edwards from the Virginia Association of Counties, who was also speaking on behalf of the Virginia Municipal League. Mr. Edwards proposed that a task force composed of local and state officials be convened to study the current process and to recommend any needed changes to the program. In addition, Marc Copeland of the Department of Motor Vehicles and Debra Dunbar of the Fairfax County Budget Office responded to questions posed by the Chairman and members of the Commission.

C. Closing Statement by the Chairman

The Chairman thanked the individuals who had addressed the Commission and expressed appreciation for the receipt of their concerns and proposals. Mr. Bannister then announced that the public hearing was concluded.

II. Adjournment

The meeting was adjourned at 10:40 a.m.

Harold H. Bannister, Jr.
Chairman

Ted McCormack

Associate Director

Meeting Attendees

Janet Areson, Virginia Municipal League

Marc Copeland, Department of Motor Vehicles

Mary Ann Curtin, Chesterfield County

Holly Dale, Virginia Department of Transportation

Debra Dunbar, Fairfax County Budget Office

Mike Edwards, Virginia Association of Counties

Jo Evans, Richmond Regional Planning District Commission

Michael Garrett, Virginia Department of Transportation

Joel Rothenberg, Dept. of Mental Health, Mental Retardation and Substance Abuse Services

Wendy Thomas, Virginia Department of Transportation

Kenny Thompson, Student

Kim Via, Auditor of Public Accounts

Richard Zorn, Governor Kaine's Office

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COMMISSION ON LOCAL GOVERNMENT

Regular Meeting

11:00 a.m., July 10, 2006

Members Present

Harold H. Bannister, Jr., Chairman
John G. Kines, Jr.
Frances M. Parsons

Members Absent

Kathleen K. Seefeldt, Vice Chairman
Vola T. Lawson

Others Present

Ted McCormack, Associate Director
Steve Ziony, Senior Economist
Adria Graham Scott, Senior Policy Analyst
Barbara Johnson, Administrative Assistant

Other Attendees

John West, Special Counsel, Town of Warrenton
Debra Dunbar, Fairfax County Budget Office

Call to Order

The Chairman called the meeting to order at 11:00 a.m., July 10, 2006 in the Board Room of the Department of Housing and Community Development in Richmond.

I. Town of Warrenton – County of Fauquier Voluntary Settlement Agreement

A. Preliminary Staff Comment

The Associate Director reported that the Town of Warrenton and Fauquier County were reported to be in the final stages of concluding a voluntary settlement agreement concerning annexation, immunity from future town annexations, joint planning and development control and other issues. Mr. McCormack stated that since some provisions of the proposed settlement

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remained under consideration, the Town and County were unable to file a formal notice with the Commission prior to the current meeting. He noted, however, that in the interest of time, both jurisdictions had requested in writing that the Commission establish a tentative date for the review of the proposed agreement predicated upon their joint notice being filed with the Commission no later than sixty days prior to the commencement of the on-site hearings. He advised that prior Commissions had established such tentative schedules in limited circumstances. The Associate Director indicated that Mr. John West was present at the current meeting representing the Town of Warrenton to assist the members in the scheduling of their review of the settlement agreement, and he noted that Mr. West had with him the dates that Fauquier County found acceptable for the Commission's review.

B. Comments by Representatives for the Parties

Mr. West indicated that due to the continuing negotiations, it would be unlikely that the parties could file notice with the Commission before mid-August which would place the earliest date for the Commission's review in mid-October. Regardless, he requested that the Commission review the proposed instrument at its earliest convenience after that date.

C. Commission Action

After consideration of scheduling concerns, the Commission tentatively agreed to hold its review of the proposed Town of Warrenton – Fauquier County voluntary settlement agreement at the following times contingent upon the Town and County formally filing a complete notice prior to September 8, 2006:

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Tour - 9:00 a.m., November 8, 2006

Oral Presentations - 10:30 a.m., November 8, 2006

Public Hearing - 7:00 p.m., November 8, 2006

The Commission advised that it would endeavor to release its report to the parties in early March 2007.

D. Review of Administrative Concerns

The Associate Director presented a copy of the Commission's Canons of Conduct to Mr. West and requested that he note in particular Canons 6 and 8 dealing with ex parte communications and member absences. Mr. McCormack stated that he would also mail a copy of the Canons of Conduct to representatives for Fauquier County. He advised that there were a number of administrative concerns related to the Commission's review of the proposed agreement, but he added that he would discuss these issues with the parties by mail at a later date.

II. Administration

A. Approval of Minutes of Regular Meeting of May 8, 2006

The minutes of the Commission's regular meeting of May 8, 2006 were approved unanimously.

B. Public Comment Period

The Chairman opened the floor to receive comments from the public. No person appeared to testify before the Commission during the public comment period.

C. Presentation of Financial Statement for June 2006

The Associate Director stated that the member's packet for the current

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meeting contained a copy of the internally produced financial statement covering the Commission's activities through the end of the 2006 Fiscal Year. He noted that the Commission ended the fiscal year with a balance of approximately \$1,500, principally due to the prepayment of certain central charges, such as insurance, for the next fiscal year. The Commission accepted the financial report for filing.

D. Associate Director's Report

1. Conflict of Interest Training

The Associate Director advised that State statutes require the members of boards and commission to undergo initial and biennial training in the State and Local Government Conflict of Interest Act. He indicated that a training class on the subject would be offered on July 25, 2006 in Richmond for Commission members, and those that attended would be eligible for reimbursement of travel expenses. Mr. McCormack stated that if the members could not attend the July 25 session, arrangements would be made for them to receive the training from a compact disk or other electronic means. In closing, he observed that members of the Commission who had taken the training within the last six months were not required to retake the course.

2. Staff Activities

The Associate Director reported that all of the Commission's staff would be out of the office at a retreat of the Administration Division during the period July 13-14, 2006. He also noted that he and Mrs.

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Graham Scott would be attending the annual conference of the Virginia Association of Planning District Commission on July 20-21 in Virginia Beach.

3. Meeting Per Diem

The Associate Director stated that, in accordance with the Commission's Policy on compensation and reimbursement, per diem would be paid to Mrs. Parsons for her travel on July 9, 2006, and all members present for their service to the Commonwealth on July 10, 2006.

III. Annual Survey of Cash Proffers

A. Preliminary Staff Comment

The Associate Director advised that the member's packet for the current meeting contained a copy of the section of the Code of Virginia that requires the Commission to survey annually the usage of cash proffers by eligible counties, cities, and towns and to report the results of that survey to the Chairman of the Senate Committee on Local Government and the Chairman of the House Committee on Counties, Cities and Towns by November 1 of each year. Mr. McCormack stated while the recently adjourned General Assembly had made major changes to the statute concerning cash proffers, those amendments affect the surveys conducted in 2007 and beyond. He also observed that another recent revision to the Code of Virginia concerning the use of population statistics from the U. S. Bureau of the Census revised slightly the localities that would receive the 2006 survey instrument. Despite that latter change, he stated, the survey would be mailed to 81 counties and 34 cities eligible to receive cash proffers, as

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well as the 26 towns over 3,500 in population that are also eligible to receive cash proffers. Mr. McCormack indicated the members had been mailed previously the survey instrument for the 2006 survey and that only stylistic changes had been made to it. He also noted that since the survey was scheduled to be mailed by the end of July, the staff was seeking the Commission's approval to proceed with the distribution of the survey instrument.

B. Commission Deliberation and Direction

After a brief discussion of the survey, the Commission directed the staff to mail the 2006 survey to those localities that were eligible to accept cash proffers.

IV. Mandate Assessment Process

A. Preliminary Staff Comment

The Associate Director stated that this item was on the agenda in order to afford the members an opportunity to offer preliminary comment on the public hearing held prior to the current meeting on the mandate assessment process. Mr. McCormack added that the Commission may want to discuss some of the issues raised by the speakers.

B. Commission Discussion and Deliberation

The Commission briefly discussed the public hearing held earlier in the day. The members agreed to the proposal put forth by the Virginia Association of Counties and the Virginia Municipal League to empanel a task force of local and state officials to review the current mandate assessment program and to propose any changes to that process. Mr. Kines recommended that the task force consist of no more than ten representatives drawn equally from local and state officials.

Mrs. Parsons stated that the task force also examines means to make the assessment process easier to use for both state and local officials. Mr. Bannister noted that the assessment process should focus on state mandates since the Commonwealth and its localities had less influence on the impact of federal mandates. At the end of the discussion, the members indicated that the task force should aim to complete its work by the end of September, 2006, and that its meeting be widely publicized and open to the public. Mr. McCormack thanked the members for their guidance and stated that the staff would proceed as directed to get the task force underway.

V. Local-Source Revenue Profile: FY 1989-2004

The Associate Director stated that Mr. Ziony had prepared a draft update of the report on the local-source revenue profile of Virginia's counties and cities and a complete set of accompanying tables that was mailed to the members in advance of the current meeting. Mr. McCormack noted that while the report was an offshoot of Mr. Ziony's analysis of local fiscal stress, the research on local-source revenues reflected a significant investment of time and energy and constituted an unprecedented effort that would be of assistance to the Commission as well as other executive branch agencies and commissions. Mr. Ziony then presented to the Commission a brief review of the principal findings of his research. Mr. Ziony observed that the most striking feature revealed by his analysis was the continued volatility of the local-source revenues collected by Virginia's counties and cities during the 1989 to 2004 fiscal years. He indicated that the fluctuations in the revenue collections of localities throughout the period coincided with the general economic conditions that existed in the State overall.

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Mr. Ziony observed that almost 90% of the Commonwealth's localities experienced reductions in total per capita local-source revenues during at least one of the fiscal years covered by the report. At the end of Mr. Ziony's presentation, the Commission authorized the staff to release the report for publication.

VI. Scheduling of Next Meeting

The next regular meeting was scheduled for Tuesday, September 12, 2006 at 10:00 a.m. at the Commission's offices in Richmond, Virginia.

VII. Adjournment

The meeting was adjourned at 12:55 p.m.

Harold H. Bannister, Jr.
Chairman

Ted McCormack
Associate Director

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